

and commercial operations in which they were engaged. These funds were represented by mandates, which differed little from the checks adopted many centuries later. The records of bankers regarding transfers of money had a recognized status in courts of justice, derived in some measure from the survival of their public character under the Roman Empire.

Thus gradually emerged from the need for them all the attributes of modern banking. The individual moneychanger, the Jewish lender, the Lombard banker, gradually gave way, as centralization advanced in economic and political life, to public banks doing business under official authority. Along with this evolution went the development of methods suited to the new conditions. The complexity of coinage systems was remedied by the creation of "bank money" of uniform value by such institutions as the banks of Venice, Amsterdam, and Hamburg. The bill of exchange became a means for making productive loans. Deposits were accepted to be loaned for profit, and in these profits the depositor was permitted to share. The character of the loan changed from a specific deposit, transferable only by the owner, to a loan from the owner to the bank, for which he received a direct interest. The resources of modern savings, attracted into the keeping of the banks, became available for loans to the producing and trading elements in the form of discounts. Modern credit thus gradually received its organization and needed only the creation of the bank note and the extension of the mechanism of clearings and co-operation among the banks to stand forth fully equipped for providing the motive power of commerce.